

MINUTES OF THE
VIDEO CONFERENCE EXECUTIVE COMMITTEE MEETING
TUESDAY, OCTOBER 28, 2008 10:00 A.M.

Present:	<u>Committee Members</u>	Allison Davis Michael Goetz Jack Mazzotti
	<u>Proxy</u>	John Bowman (for Thomas Hoffman), via telephone
	<u>Board Member</u>	Ron Powell
	<u>Staff</u>	William Atwood Linsey Schoemehl Katherine Spinato, via telephone
	<u>Guests</u>	Marquette Associates Brian Wrubel Iron Capital Advisors Chuck Osborne
Absent:	<u>Committee Member</u>	None.

ROLL CALL

Chairman Goetz called the meeting to order at 10:00 a.m. The Secretary called the roll and noted that a quorum was present. Mr. Mazzotti moved to allow Judge Bowman to participate via telephone. Mr. Davis seconded and the motion passed unanimously.

DEFERRED COMPENSATION

Consideration of Hardship Appeal

Director Atwood stated that a Hardship Appeal had been received by Nora Hess. The Director referred to correspondence from Brown Hay & Stephens dated October 10, 2008 relating to the appeal. Following review and discussion, Mr. Davis moved to approve the recommendation of the hearing officer and staff to deny the hardship appeal of Nora Hess since she did not appear for the hearing and presented no evidence. Mr. Mazzotti seconded and the motion passed unanimously. (Official minutes contain attachments.)

Statement of Investment Policy, Investment Manager Guidelines, and Oversight of the State Employees' Deferred Compensation Plan

Director Atwood stated that as discussed at the last Board meeting, a revised Deferred Compensation Investment Policy had been drafted and previously distributed, which included a minority manager usage policy. Following discussion, Mr. Mazzotti moved to approve the Statement of Investment Policy, Investment Manager Guidelines, and Oversight of the State Employees' Deferred Compensation Plan, as previously submitted. Mr. Davis seconded and the motion passed unanimously. (Official minutes contain attachment.)

After further discussion, Mr. Mazzotti moved to approve conducting a search for a mutual fund minority manager as an option in the State Employees' Deferred Compensation Plan. Mr. Davis seconded and the motion passed unanimously.

MATTERS RELATING TO EXISTING MANAGERS

Director Atwood referred the Committee Members to his Memorandum "Western Asset Management" dated October 27, 2008. Following review and detailed discussion, Mr. Davis moved to approve the consultant and Staff's recommendation to terminate Western Asset Management and transfer management of the assets to Chicago Equity Partners, subject to successful contract negotiations. Mr. Mazzotti seconded and the motion passed unanimously.

NEXT MEETING AND ADJOURNMENT

Chairman Goetz stated that the next meetings scheduled were an Audit & Compliance Committee and Board meeting to be held December 19, 2008 at 9:30 a.m. and 9:45 a.m., respectively. At 10:25 a.m., there being no further business to come before the Committee, Mr. Mazzotti moved to adjourn. Mr. Davis seconded and the meeting was adjourned.

Respectfully submitted,



Thomas E. Hoffman, Recording Secretary



Michael Goetz, Chairman